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ABSTRACT

Diverse patterns of organization exist across the English post-16 education and training (ET) system. Direct consequences of national policy drivers and the shift to a single mechanism for all publicly funded non-higher education (HE) post-16 provision are strong imperatives toward collaboration between providers, planned provision across an area, and cohesion across the phases of school, further education, and HE. A theoretical study of models of organization shows ways in which structure can relate to strategic intent. At the institutional level, current ET arrangements can be analyzed across a simple axis from broad-based to specialized. When looking at overall provision in an area, this needs supplementing with an axis expressing the degree of formality of any collaborative arrangement (tight to loose). The resulting typological analysis, giving four broad categories, is significant in the context of government drives to institutional specialization. Case studies of patterns of collaboration and reference to earlier studies enables identification of likely conditions of success for each broad category. Potential enablers of, or obstacles to, collaboration include legislative, ideological, funding, and human resource matters; questions of local culture, pride, competition, and trust; and individual and institutional incentives. Factors determining the pattern of post-16 provision in a particular area arise from national policy, regional and local strategies; and numerous historical local factors. Relations between academic and vocational provision in other countries and classic work on models of organizational structure are helpful. (Contains 19 references) (YLB)

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Organisation of provision of post-16 education and training

A report to the DfES to inform the design of guidance on the conduct of Strategic Area Reviews

Afiong Edem
Paul Spencer
Barry Fyfield

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Executive summary

1. This report on the organisation of provision of post-16 education and training was commissioned by the Department for Education and Skills (DfES) to inform the guidance for Strategic Area Reviews (SARs). It presents a typology of models of organisation for post-16 education and training. The report considers:

   - the implications of national strategy and policy
   - regional and local strategy
   - overseas models of post-school provision
   - wider models of organisation, drawn from a review of key literature, in order to develop a typology of provision.

2. Key messages regarding the main models and some of the influential factors determining the functioning of the various models of provision are highlighted, together with examples of different modes of organisation of provision.

3. Many diverse patterns of organisation exist across the English post-16 education and training system. The factors determining the pattern in a particular area arise from national policy, regional and local strategies and numerous historical local factors.

4. As a direct consequence of national policy drivers, and the current shift to a single mechanism for all publicly funded non-HE post-16 provision through the Learning and Skills Council (LSC), there are strong imperatives towards *collaboration* between providers, *planned provision* across an area and *cohesion* across the phases of school, further education and higher education.

5. A theoretical study of models of organisation (including commercial models) illuminates ways in which structure can relate to strategic intent. At institutional level, current education and training arrangements can be analysed on a simple *broad-based–specialised* axis; but when looking at overall provision in an area, this needs supplementing with a *tight–loose* axis expressing the degree of formality of any collaborative arrangement. The resulting typological analysis, giving four broad categories, is particularly significant in the context of government drives towards institutional specialisation.

6. Case studies of various patterns of collaboration and reference to a number of earlier studies enable a number of likely *conditions of success* to be identified for each broad category.

7. A number of issues are identified as potential enablers of, or obstacles to, collaboration including: legislative, ideological, funding and human resource matters; questions of local culture, pride, competition and trust; individual and institutional incentives – often in the context of particular 'triggers' such as area review/inspection, and always in the context of

the centrality of the learner and any consequent impact on choice and quality.

8. The analysis concludes with a consideration of questions for the SAR process.

9. In **section 4**, particular sources of influence on models of post-16 provision are reviewed; these are illustrated by reference to the findings of post-16 area-wide inspection reports published to date and by a number of case studies. The sources of influence include national policy; emerging regional strategies, including the Frameworks for Regional Employment and Skills Action (FRESAs); leadership at sub-regional level by the local LSCs; and local direction through Local Education Authorities (LEAs) and Learning Partnerships. The involvement of work-based learning (WBL) providers in local strategic decision-making is identified as variable, as is the contribution of other agencies such as careers services and education–business link organisations.

10. Relations between academic and vocational provision in a number of countries (especially Germany, Japan, Northern Ireland and the USA) are explored in a section on international dimensions, and classic work on models of organisational structure along with a number of reports commissioned by the former Further Education Funding Council (FEFC) complete the literature review.

1. Introduction

1.1 The purpose of this report is to develop a typology of models of organisation for post-16 education and training. This work was commissioned by the DfES to inform the guidance for Strategic Area Reviews (SARs). More specifically, this report will help to shape the toolkit for use by local LSC staff, local authorities and providers. Policy developments are highly influential in shaping modes of provision, and recent proposals on 14–19 education have also influenced this report. Separate work on the barriers to closer relationships between schools and post-16 providers is being conducted by the Youth Directorate in the DfES.

1.2 This report considers:

- the implications of national strategy and policy
- regional and local strategy
- overseas models of post-school provision
- wider models of organisation drawn from a review of key literature, in order to develop a typology of provision.

1.3 The report also draws out key messages regarding the main models and some of the influential factors determining the functioning of the various models of provision. Examples of different modes of organisation of provision are also provided.

1.4 For ease of reading, the main implications drawn from the review of sources of influence are presented in section 2 of the report; section 3 presents a typology of post-16 learning. Supporting material including the analysis of the influencing factors and theoretical study of models of organisation that has informed our thinking are presented in **section 4**.

2. Factors determining models of provision – a summary of key findings

Context

2.1 Many patterns of organisation can be seen across post-16 education and training in England, with even greater diversity if the 14–19 age range is considered.

2.2 Organisational arrangements do not arise or exist in isolation. They are dependent on a number of factors – historic and current; external and internal. A major determinant of education and training structures is national policy. Major policies such as the incorporation of the FE sector in the 1990s or the decision to establish sixth-form colleges can have an impact on structures for decades. The establishment of the LSC as responsible for the funding and planning of provision across formerly disparate sectors, and the forthcoming extension of that model to include school sixth forms offers an unparalleled opportunity to coordinate provision across age ranges and across provider sectors.

2.3 Legislation is also a major determinant of organisational arrangements. Current legislation creates major barriers to collaboration between schools and colleges; for example, by creating a single institutional ethos (eg FE incorporation, delegated legal powers to schools), creating competition (via performance tables) and ensuring different contracts of employment and pay structures between schools and colleges.

2.4 Once fundamental patterns of structure are defined, it is a complex web of working relationships – between strategic, funding and planning bodies, a host of local providers of training and education, and local support agencies – which determines detailed local arrangements. Similarly, the establishment nationally of standards and targets for participation, retention, attainment and quality affects the way that institutions interact. If the providers themselves are seen as the building blocks of an organisational structure, it is these strategies and policies, with the accompanying support arrangements, that act as the glue holding the structure together.

Key messages

2.5 As a direct consequence of national strategy and policy drivers, three imperatives stand out clearly with regard to the organisation of provision. They are the need for:

- *collaboration* between providers in the same sector
- *planned provision* across an area
- *cohesion* across phases (schools, post-16, higher education).

2.6 The key message from a review of regional and local strategies is that providers and groups of providers need a clear sense of mission and purpose within a well-defined framework of national policies and

regional/local strategies. Support agencies such as careers services/Connexions and education–business link organisations can significantly enhance local cohesion and collaboration. The place of WBL providers in local strategy groups needs strengthening.

2.7 The review of current arrangements for provision shows that in any area, through historical legacy and subsequent change, there will be a variety of organisations with varying degrees of breadth and specialisation. Innovative arrangements are emerging for alliances, mergers, consortia and federations: these are numerous within the college and school sectors, but few include work-based provision. Rural/urban context, travel-to-learn distances and the nature of adult and continuing education provision are vital factors in determining alliances. The importance of effective support arrangements for institutions and individuals should not be underestimated.

2.8 A review of international solutions to the organisation of vocational provision suggests that provision can be analysed on a number of bipolar spectra:

Supply model	Demand model
Employer-determined	Provider-determined
State-funded	Employer-funded

The debate regarding supply or demand models is now more settled in terms of the UK system. A clear message from the review of overseas systems is that the nature of the links between business, industry, and vocational education and training (VET) can have a significant impact upon the organisation of provision.

2.9 The broader models of organisation suggest a number of factors that can affect the organisation of learning within an area. There is agreement that there should be a fit between *structure* and *strategic intent*.

- The classic work of Mintzberg (1978) suggests that for an organisation to function effectively, attention should be paid to *technostructure* and *support*.

- Mintzberg's classic structural types can be found within organisations that deliver learning . Larger organisations may be moving towards a divisionalised form to focus on differing market segments; for example, 16–19 year old students, adult students and the business community. They may also maintain a bureaucratic structure. The variations in individual organisational structures could have implications for the success, or otherwise, of alliances.

- Hankinson's study (1999) indicates that no one specific structural type is most effective. Effectiveness can be achieved through a variety of structural forms.

- The service process model detailed in **section 4.53** identifies three fundamental categories of service type – professional services, service shops and mass services – and sets out the characteristics and implications of each of these. The model indicates that there may be problems maintaining a learner-centred approach as volumes of activity increase.

- There is evidence in the literature of a move towards alliances to meet the demands of changing market scenarios. Storey's work (1998), described in **sections 4.49–4.50**, elaborates on this theme.

- There are frameworks for evaluating the effectiveness of structures and alliances.

2.10 The strengths and advantages of collaboration, along with the factors that encourage its success are explored extensively in a joint report from OFSTED and the then FEFC Inspectorate (OFSTED/FEFC 1999) and in the joint Local Government Association (LGA)/FEFC report on post-16 collaboration (LGA/FEFC 1998). These can be summarised as:

- the ethos or culture of the local education and training community
- commitment from the top
- the drive or personality of key individuals
- the identification of designated staffing time with organised contact opportunities
- the appointment of a senior consortium director or coordinator
- the overall structure of provision
- transparent and equitable financial arrangements
- common timetabling, assessment and reporting mechanisms, marketing, guidance and recruitment arrangements
- compact geographical areas with efficient transport arrangements.

2.11 The question of full mergers of FE colleges raises a number of additional issues. These were covered fully in the FEFC report on mergers in the FE sector (FEFC 2000). The LSC has inherited the role of encouraging mergers, and the opportunities that this presents, along with a frank appraisal of the potential barriers to future mergers, are spelled out in the report. Obstacles include:

- the impact on principals and governing bodies
- the lack of a merger culture within a geographical area
- the pattern of post-16 school provision in an area
- the lack of incentive for merger rather than collaboration
- financial barriers, especially those involving financially weak colleges.

2.12 Offsetting these, the curriculum benefits through rationalisation of provision, economies of scale, enhancement to programme delivery and quality improvement strategies were observed, as well as:

- better student support
- better staff development opportunities
- stronger relationships with other partners in the area
- opportunities for capital investment.

3. Proposed post-16 learning typology

3.1 A simple way of classifying current organisational arrangements at institutional level is to identify how each is located on an axis describing a fully broad-based provision at one end and a highly specialised provision at the other.

3.2 The features of *broad-based provision* would include:

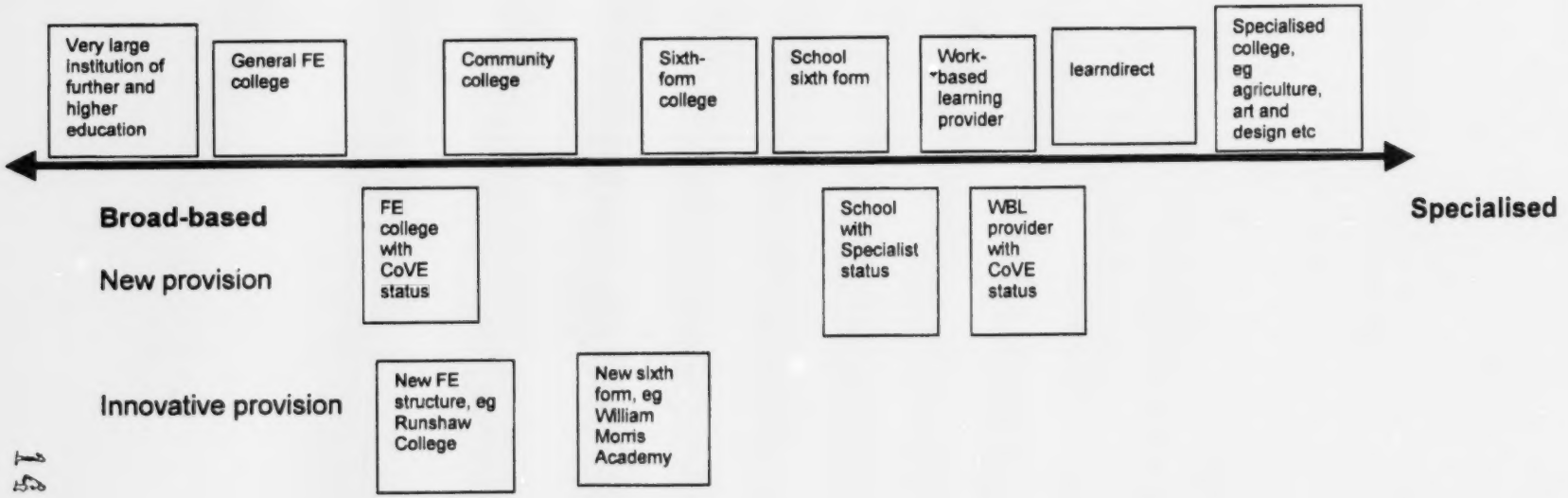
- a wide spread of course provision
- a work-based learning programme
- all levels of study and progression from Entry level to Level 3 and possibly with some progression to HE Levels 4 and possibly 5.
- Full-time, part-time, and open, distance and online provision
- all age levels.

3.3 As organisations become more *specialist* in character, they tend to limit provision in terms of concentration on:

- curriculum specialisms
- levels of study; for example, exclude Entry level
- client groups served; for example, only the 16–19 age group or only adults.

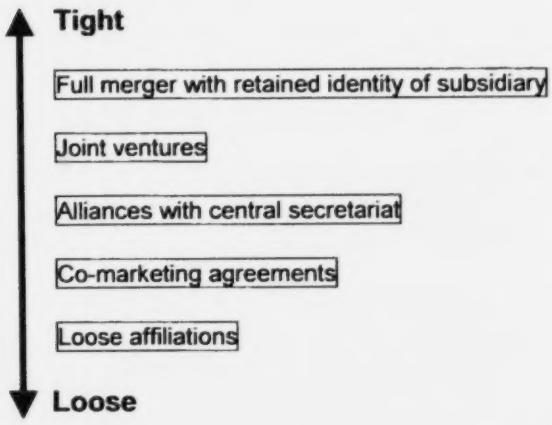
3.4 Using this dimension, it is possible to locate individual organisations as shown in **Figure 1** below.

Figure 1 Current organisational arrangements for learning



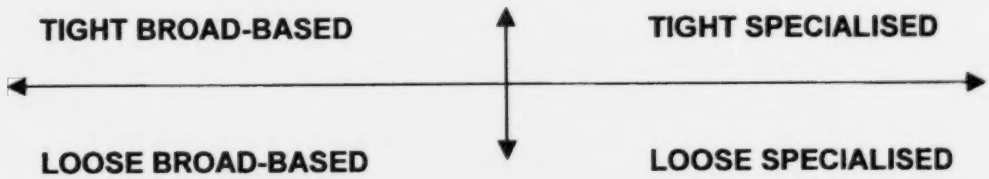
3.5 The evidence from the literature and the reality of some current arrangements indicates that there is a strong move towards a range of alliances between providers. It is proposed that this dimension be added to that of a degree of specialisation to provide a typological map. This additional dimension provides an axis which has the elements shown in **Figure 2** below.

Figure 2 The tight–loose axis



3.6 Putting the two dimensions (broad-based/specialised and tight/loose) together identifies four broad models of provision, as shown in **Figure 3**.

Figure 3 Four fundamental models of learning provision



It should be noted, however, that there are different forms of specialisation: this can be *curriculum-based* (eg by subject, qualification level or learner goals) or learner group-based (eg by age or gender) as described in **sections 3.2–3.3** above.

3.7 The typological map is shown below in two formats. **Figure 4** depicts the four fundamental and four hybrid arrangement types which arise; and **Figure 5** elaborates on the staging points along each axis.

Figure 4 Post-16 learning typological map

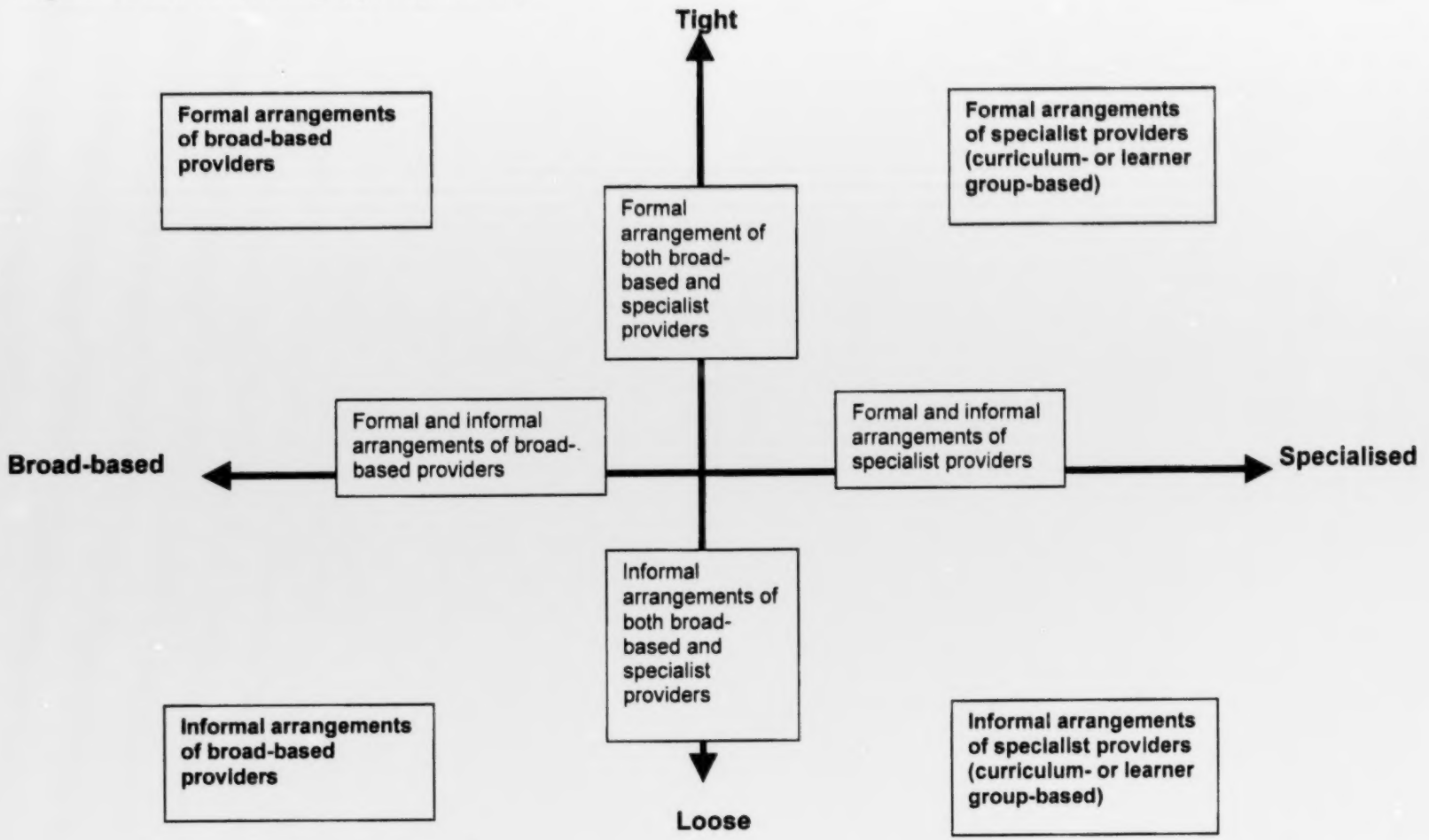
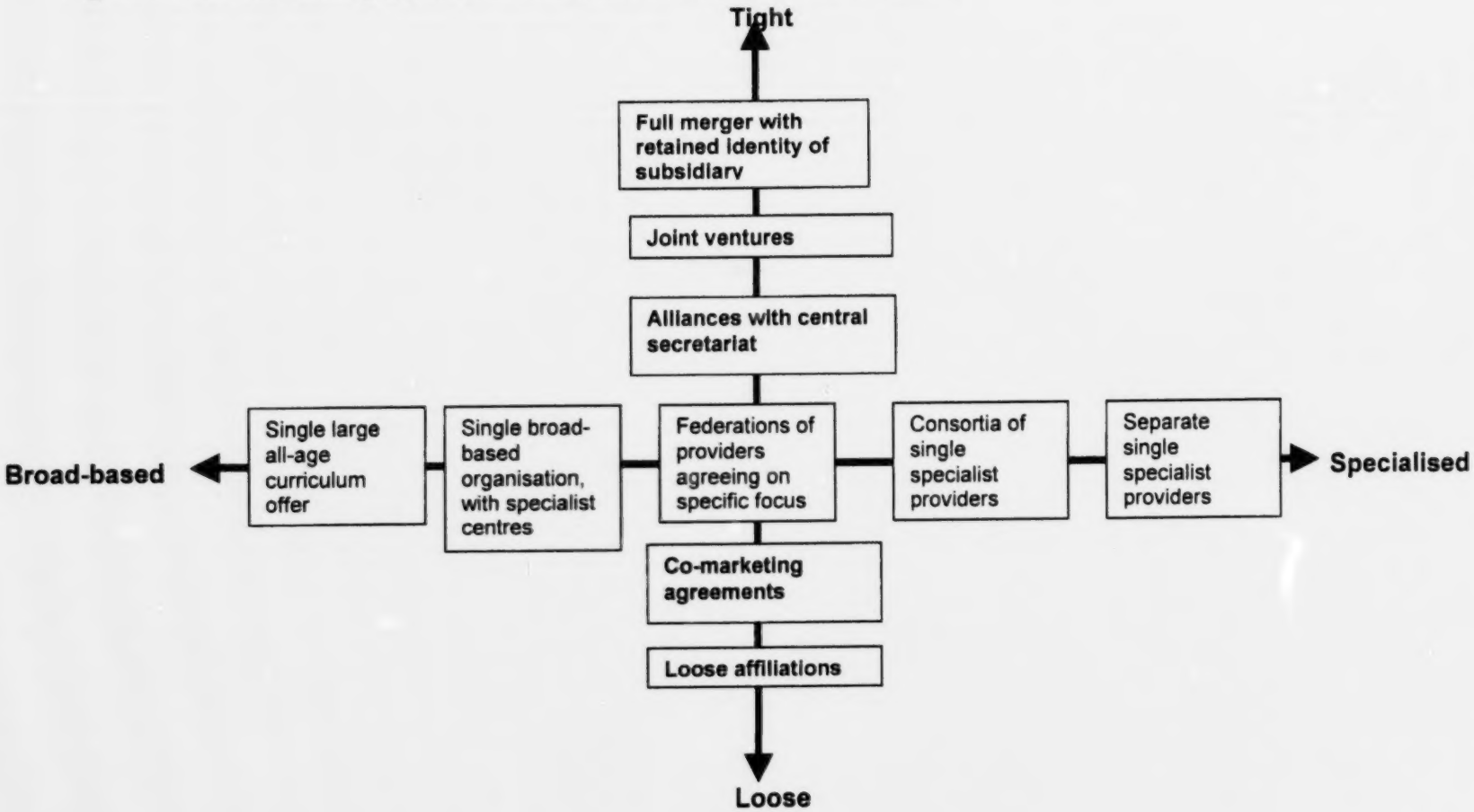

Tight
Formal arrangements of broad-based providers
Formal arrangements of specialist providers (curriculum- or learner group-based)
Formal arrangement of both broad-based and specialist providers
Broad-based
Formal and informal arrangements of broad-based providers
Formal and informal arrangements of specialist providers
Specialised
Informal arrangements of both broad-based and specialist providers
Informal arrangements of broad-based providers
Informal arrangements of specialist providers (curriculum- or learner group-based)
Loose

Figure 5 Post-16 learning typological map, showing stages on each axis



3.8 Key issues to note are as follows:

- as individual institutions develop more specialisms, then there is a greater need in an area for alliances and collaborative ventures to meet the needs of the total learner population
- collaborative arrangements are not context- and value-free. Those whose aim is rationalisation or cost-effectiveness might look very different from those whose aim is increased choice or quality
- hybrid arrangements (eg mixes of specialist and broad-based provision, and of formal and informal arrangements) are possible
- branches of national providers may be classified differently in different areas.

3.9 A review of models of 16–19 collaboration by Munday and Fawcett (2002) identifies a number of arrangements for collaboration, separating models of planning and delivery. They find little evidence of independent WBL providers included in these arrangements. They indicate that the most common features exist in terms of:

Bi-lateral arrangements. Small-scale arrangements, involving only two institutions. These can be school/school or college/school. They tend to be found where there are single-sex schools or schools with small sixth forms. These arrangements can range from joint sixth-form provision with a single head of sixth form to less formal relationships.

Consortia arrangements. These tend to include a number of providers and have well-developed management and organisational structures and extensive common systems; some have formal agreements.

Curriculum delivery. This is where organisations agree to complement delivery of parts of the curriculum; for example, shared curriculum timetable.

Shared premises. This is where there is agreement between institutions that are geographically close to deliver programmes in a single place.

Specialist resources. This has tended to focus on arrangements between colleges and schools, in particular, to make specialist resources available to complement the curriculum offer. These agreements have a tendency to be semi-permanent and be negotiated and renewed on a regular basis.

3.10 This latter type of arrangement, whereby specialist resources are made available between organisations, is likely to be of interest as FE colleges and WBL providers achieve Centre of Vocational Excellence (CoVE) status and large numbers of schools obtain Specialist School or Academy status. The Specialist School initiative enables a school to be

designated as either Arts College; Business and Enterprise College; Engineering College; Language College; Mathematics and Computing College; Science College; Sports College; or Technology College. They will be expected to collaborate with other providers, as this is a condition of their funding.

3.11 This emphasis on the development of specialisation allied to a range of collaborations and alliances reinforces the use of these dimensions for developing a typology of post-16 organisational structures. Using the typology, it is possible to populate it with examples.

3.12 **Figure 6** below shows a number of case studies in collaboration, some of which are then mapped against the typology model in **Figure 7.**

Figure 6 Case studies in collaboration and federations

Joint working between FE colleges

North-East Colleges Network

Consortium of 15 Colleges in the North East under a Company Limited by Guarantee to provide networked education and training services, predominantly using flexible online training

Large broad-based FE/HE college, engaged in local collaborations

Norwich City College

Provides over 800 courses to 20,000 students, including vocational, academic and leisure programmes. It also runs the prison education programmes for eight East Anglian institutions.

It has a service to business in the region and provides Foundation and Advanced Modern Apprenticeships.

It operates from a large city-centre site, but also has a range of outreach locations known as learning stations.

As a regional college of Anglia Polytechnic University, it offers full- and part-time degrees across a range of subjects and also offers courses leading to postgraduate, professional and Higher National qualifications.

Joint working between work-based learning providers

In Touch Care, based in Sheffield, has spearheaded a network that is very successful: they are currently looking to extend the approach from care to construction.

Figure 6 continued: Large FE college engaged in pre-16 and HE collaborations

City and Islington College

The college has developed some innovative planning relationships with the LEA and higher education institutions.

- The college's Sixth Form Centre is now recognised as a regional centre of excellence and has forged a unique relationship with University College London (UCL) to ease progression. This involves regular joint meetings to discuss strategy. This is supported by a delivery model that allows transfer of staff between institutions for teaching purposes.
- Its 14–19 strategy group is driven by the LEA director of education and has representation from the college, CEA (a private company providing support for LEA provision), all local secondary school heads and representation from WBL provision.
- Exploring common publications, teacher exchanges, and a single plan for all link and bridge courses.

Collaboration between schools and an FE college

16–19 Abingdon

This is a consortium of three schools and Abingdon and Witney College of Further Education. The schools are all within walking distance of the college. There is a common timetable grid for AS/A2 courses. Decisions on course location are made on the basis of enrolment in Year 12, group size and specialist expertise. There is a shared procedure for agreeing new course proposals.

Figure 6 continued: Collaboration between school sixth forms

16–19 provision: La Swap, Camden

This is a consortium based on four schools: two of these have Beacon School status and three have Specialist School status for languages, technology and the arts respectively.

Provides: extensive AS/A2 subject range; a limited number and range of GNVQ courses; a Level 1 NVQ and a GCSE package
Delivered: through home-based school, plus option to attend for classes at other La Swap sites

Common features:
Availability of the curriculum
Wide range of facilities
Pastoral care system
Programme of advice and support for progression to higher education

Management organisation:
School heads and chairs of governors form steering committee
Production of joint development plan
Joint promotion
Regular meetings of operational staff
Joint working groups for HE progression; value added; vocational education; databases; key skills
Joint *Annual Report*

Network of providers, each maintaining specialist provision and a large number providing core provision. New sixth-form provision allied to cross-boundary planning

Greenwich G+ Network and Shooters Hill Post-16 Campus

Following an audit of provision in its area, the LEA decided to address the poor performance of school sixth forms, a large movement of students out of the borough at 16+ and poor take-up of higher education. This led to the formation of the G+ Network and the development of the Shooters Hill Post-16 Campus as part of this network. It became operational in September 2002.

The network consists of five secondary schools, the new Shooters Hill G+ campus and Greenwich Community College. It operates through a management board drawn from the network schools and the LEA.

It has a common timetabling framework.

All centres have AS/A2 programmes and common GNVQ vocational options; for example, art and design, IT and business studies.

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Figure 6: Greenwich G+ Network continued

Each centre has designated specialisms. The Shooters Hill Campus will have catering, hairdressing and beauty, construction, plus development of sports and recreation later. None of these options have been available in the area until now.

Shooters Hill will also provide support for a large provision for students with learning difficulties and disabilities.

There are strong links with WBL providers to enable post-Level 2 progression. The network is introducing an FE-type MIS in order to track students.

Collaboration across and beyond the FE sector- Example of a federated structure

The Leeds Federation of Colleges

The colleges in Leeds, many of which are monotechnic in nature, have formalised their collaborative arrangements through the establishment of the Leeds Federation of Colleges.

In addition to fostering collaboration between the constituent colleges, the federation is the key agency for working with Education Leeds and with the Leeds City Council training department. FE representation on the 14–19 Strategy Group is made via the federation, and issues such as vocational GCSEs, the Excellence Challenge and progression to higher education are also handled in this way.

The federation is working towards the establishment of protocols which will enable decisions on issues such as future CoVEs to be managed.

Board of principals with rotating chairs agrees work programme.

3.13 Based on the foregoing discussion, the literature evidence, the area-wide inspection reports and the case studies investigated, we can identify when and where each of the six models of provision is most likely to be effective. **Table A** below shows the characteristics of each of these models and the conditions in which each will be most effective.

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Figure 7 **Post-16 learning typological map populated with examples.**

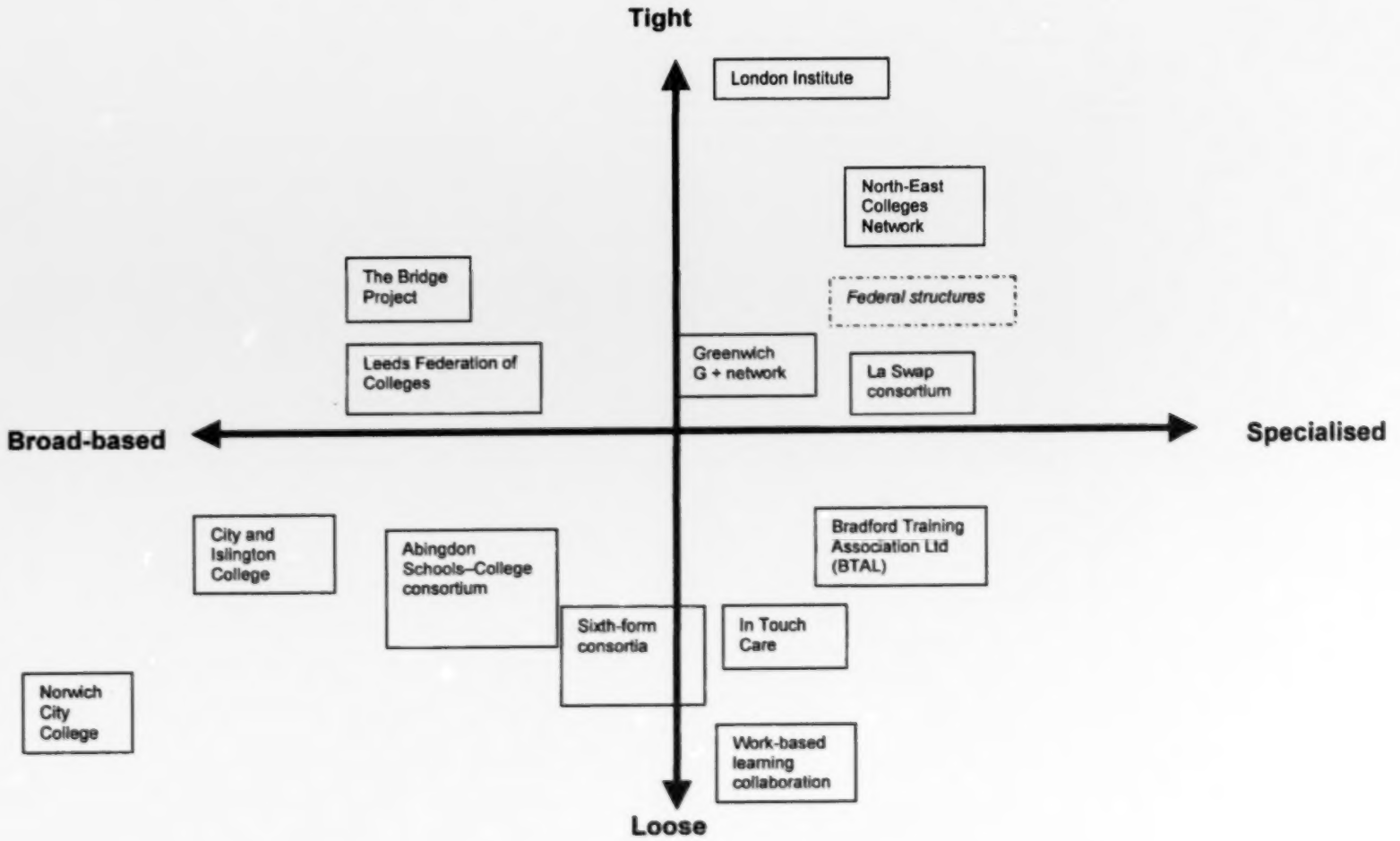

Table A Characteristics and conditions for effectiveness for each of the four types of alliance

	Coordination of leadership and teaching	Corporate identity	Agreements and protocols	Common aspects	Place of WBL providers	Urban/rural	Additional notes
Tight specialised	Needs a coordinator and strong strategic leader, eg LSC, LEA	Clear identity vital (may need separate company). Strong branding needed	Joint agreement and development plan essential – strong and binding	Common learning materials, some common timetabling	Tend to be excluded	Best suited to urban areas	Unlikely to be legislative barriers
Tight broad-based	Strong coordination needed	Federalised structure	Joint development plan needed	Common campus	Partially included	Works in both urban and rural areas	Can include outreach centres
Loose specialised	Strategic leader needed, eg LEA, LSC. Staff flexibility and goodwill needed	Consortium arrangement	Can be difficult to manage. Agreements on quality and strong pastoral arrangements needed	Common labour market intelligence (LMI) and information, advice and guidance (IAG)	Can be included	Best suited to urban areas, but can work in rural setting	Needs highly motivated learners
Loose broad-based	Needs flexible, multi-skilled teachers	Consortium/collaborative arrangement	Agreements on quality needed – difficult to manage	Common LMI and IAG	Can be included	Suited to rural areas	Can include outreach centres

3.14 Adapting the tests of organisational design proposed by Goold and Campbell (2002), the following questions can be asked of each of the four categories.

- Do any areas of specialist provision within a broader organisational structure have sufficient 'protection' from the dominant culture of the organisation or system?

- Does the organisation/system design call for any 'difficult links' between parts of the organisation or different providers? For example, in the interest of coordinating benefits that might be hard to achieve on a networking basis. Does the design include solutions that will ease the difficulties?

- Does the design facilitate the creation of an accountability process for each provider that is appropriate to its responsibilities, economical to implement and motivating for the managers?

- Will the design help the development of new strategies and be flexible enough to adapt to future changes?

3.15 Within the four broad models of provision, it is possible to generate examples of organisation that are only in the early stages of development or have not yet been employed. For example:

Tight specialised

- a single system of colleges and training providers for vocational provision, with a central strategic function, but each provider retaining its own identity; for example, a collegiate system
- all 16–19 academic provision is under the management of one provider per area
- closer collaboration between schools and colleges.

Tight broad-based

- all 16–19 provision is under the management of one provider, creating regional education and training centres.

Loose specialised

- federations of college and private providers focusing on vocational provision for young people, or for all ages
- collegial systems of groups of schools, sharing responsibility for matters of common interest.

Loose broad-based

- groups of cross-phase providers sharing a common campus; for example, schools/colleges/higher education.

3.16 Collaboration itself raises a number of issues which can act as obstacles or enablers in determining the model which is suitable for a given area. The FEFC reports (LGA/FEFC 1998; FEFC 1998; OFSTED/FEFC 1999; FEFC 2000) referred to in **sections 2.10** and **4.65–4.69** identify the benefits and disadvantages of merger and collaboration.

Some potential issues with examples are set out below.

Obstacles

- legislative matters: terms and conditions, statutory differences between types of provider
- funding regulations, arrangements and requirements – capital and recurrent
- human resource questions; for example, different terms of conditions in employment
- practicality: timetables, transport, starting and finishing times
- culture: different institutional and community cultures
- competition: collaboration with those seen as competitors in the same learning market
- local pride: including views of governors
- buildings: maximising use of existing buildings and other capital equipment
- new government policies; for example, 14–19.

Enablers

- degree of trust between the member institutions
- securing the futures of individual staff
- incentives: improved resources, recognition, funding
- capturing some benefits of scale, whilst preserving and enhancing the quality of specialist provision
- triggers: area inspection, large-scale one-off funding opportunities
- a declared focus on the attitudes and preferences of learners.

3.17 Drawing together the considerations and factors in the preceding sections, a number of questions arise for SARs.

- **What is the prevalent form of organisation within an area?**
- **Is it desirable to consider other forms of organisation?**
- **Are some forms of organisation more ideally suited to some types of area than others?**

- **What factors are necessary to support the effective functioning of organisational arrangements?**

- **Are the appropriate mechanisms in place to coordinate the different types of provider? Is there a history of collaboration?**

- **Are the organisational arrangements likely to meet the future learning and skills needs of learners, employers and the community?**

- **Are there new types of organisation that might be appropriate?**

- **Is there a prevalent or high-volume provider which has a major influence on provision?**

- **Are small-scale specialist providers sufficiently protected within a local system?**

4. Review of sources of influence on models of post-16 provision

4.1 This section looks at the national, regional and local strategies which are currently the key influencers of local structural arrangements.

National strategies

4.2 The government's 'strategy for reform' was set out in *Success for all* (DfES 2002b), and marks out four goals.

Goal 1 – meeting needs, improving choice.
Goal 2 – putting teaching and learning at the heart of what we do.
Goal 3 – developing the teachers and leaders of the future.
Goal 4 – developing a framework for quality and success.

4.3 In the context of the present report, the first goal is the most significant. The proposals in *Success for all* (DfES 2002b) were out for consultation through a series of events held by the LSC in 2002.

4.4 An earlier Green Paper, *14–19: extending opportunities* (DfES 2002a) set out four aspects of the government's vision for the 14–19 phase of education and training. It should:

- meet the needs and aspirations of all young people
- raise the levels of achievement of all young people
- broaden the skills acquired by all young people
- be delivered through a flexible, integrated and innovative network of providers.

The last of these aims is of particular interest in the present report.

4.5 From these and earlier policy documents, it is possible to ascertain the policies which act as key determinants and drivers of local delivery. These can be summarised as:

- raising participation, retention and attainment
- improving the quality of teaching and learning
- establishing clarity and coherence across the 14–19 phase of education and training
- matching skills supply to meet national labour market needs
- enhancing vocational and work-based routes.

4.6.1 The LSC takes over responsibility for funding school sixth forms in 2003, and the need to improve the overall planning, coordination and coherence of post-16 provision in any given area becomes even more significant.

4.7 Within the first goal of *Success for all* (DfES 2002b), particular emphasis is placed on the role of the LSC in working with schools, colleges and other providers including higher education, to ensure that learning and skills provision is well planned. It also stresses the important contribution which area reviews will make in supporting this process: to ensure consistency, the LSC will develop at national level a new planning framework for area reviews.

4.8 The planned programme of area-wide inspections from spring 2000 is now rolling out, using a common framework. In compiling the present report, area-wide inspection reports published to date have been drawn on extensively. In the rest of this section, quotes from the reports are shown in italics.

4.9 In July 2001, three secretaries of state (for the DfES, the Department for Work and Pensions (DWP) and the Department of Trade and Industry (DTI)) invited Regional Development Agencies (RDAs) to draw together key parties and partners through a *Regional Employment and Skills Forum* to develop a Framework for Regional Employment and Skills Action (FRESA) for their region by October 2002. A national inter-agency working group drew up the guidance in February 2002 for each region to go ahead in establishing its forum and producing its framework.

4.10 The purposes of the FRESA include:

- ensuring that a coherent service is offered by providers of learning and skills to individuals and employers
- developing agreement about what constitutes a healthy labour market for the region
- providing a focus for the collection and use of labour market information and intelligence
- identifying and developing the skills needed for the regional economy.

The FRESA will provide a regional strategic backcloth against which the sub-regional (local LSC) and local area strategies can be developed. Draft frameworks were published by RDAs for consultation in November 2002.

4.11 The developing FRESAs will address the issue of specialisation. Previously, the decision of a school to go for Specialist status, or the decision of a college to apply for CoVE status has generally been made without broader reference to what is going on in other sectors. FRESAs will attempt to bring a rationale into these decisions so that the overall picture of specialist provision within a region begins to make sense, both from the perspective of student progression and that of meeting regional skill needs.

4.12 In the 18 months of their existence, local LSCs have begun to show leadership, and as the major funders/purchasers of post-16 provision are clearly among the most influential of partners:

> *...strong leadership and direction given by local LSC and LEAs.* (Birmingham and Solihull)

> *...clear and appropriate strategic objectives have been established by the local LSC.* (Leeds)

4.13 Learning Partnerships were established in 1999 in each area, and following the government spending review of 2002, will hand the funding for local Learning Partnerships to the LSC. In view of this, their future roles and relationships were, late in 2002, rather uncertain:

> *The Lifelong Learning Partnership has provided the impetus for key partners for learning to come together, but it still lacks a clear remit for its role and future relationship with the local Learning and Skills Council.* (Liverpool)

It is clear, though, that some have been effective in bringing providers together, sometimes in imaginative ways which cross traditional divides; for example, by involving voluntary and community sectors. Area reviews have frequently picked up the effectiveness, or otherwise, of the Learning Partnerships in this respect.

> *The recently established Lifelong Learning Partnership for the area is developing a strategic and planning role, but has yet to move on to the process of implementation.* (Salford)

> *Local learning partnerships are providing a forum to begin to develop strategic planning based on an analysis of the curriculum.* (Stockton)

4.14 At the time of the publication of area-wide reviews (spring 2000–spring 2002), there was a marked absence, in general, of clear overall area-wide and city-wide strategies. Across England, a number of 14–19 strategy groups have been established to address this omission.

> *An extensive range of effective strategic partnerships has been established, including a 14 to 19 strategy group.* (Leeds)

> *The local education officers are working towards a development plan for 16–19 education to allow schools to meet a city-wide quality standard.* (Newcastle)

4.15 As the current funders of most sixth-form provision and with their continuing responsibility for adult and community education, LEAs remain very significant partners.

The LEA provides valuable central tuition for a number of GCE A level and advanced subsidiary level (AS) students in music, for schools where provision would not be cost-effective. (Gateshead)

Education Leeds, on behalf of the LEA, have an accurate view of the issues which need to be addressed, have established good communication links and are beginning to implement strategies for improvement. (Leeds)

4.16 The extent and pattern of local collaboration varies enormously. Several factors influence this, including:

- existing patterns of organisation (sixth-form colleges; tertiary colleges; general FE colleges; specialist colleges; school sixth forms; 11–16, 11–18, 13–18, 14–18 schools; joint sixth forms; sixth-form centres). All these put providers and partners in a different relationship with each other in terms of competition and collaboration
- leadership shown by key partners such as LEAs and local LSCs
- historical consortium and collaborative arrangements, some emanating from the Technical and Vocational Education Initiative (TVEI)
- the nature of adult and community education provision
- the priorities of former training and enterprise councils (TECS)
- the travel-to-learn pattern
- the traditional relationships between parties and partners.

4.17 Area-wide inspections report the somewhat patchy nature and extent of collaboration, but there are hopeful signs:

...the colleges work productively with many local and regional bodies and with strategic partnerships. (Hartlepool)

...consortia arrangements, to protect breadth and improve efficiency, are emerging ... collaborative arrangements between schools and colleges are being developed and encouraged. (Leeds)

Increasingly effective liaison has developed relatively recently between the college and the LEA, with a number of tangible practical outcomes. (Liverpool)

...good links between colleges and schools... (Redcar and Cleveland)

4.18 The promotion of work-based routes in schools and the involvement of employers in local strategy groups vary greatly across England. Inspection reports indicate a generally rather negative picture, with a few notable exceptions:

> *...good collaboration of strategic partners in work-based learning...* (Bradford)

There are also particular examples of the involvement of WBL providers in support of young people at risk of underachieving their full potential through the traditional curricular route.

Good involvement of WBL providers

Bradford Training Association Ltd (BTAL), Bradford

Over the years, BTAL has enjoyed a good relationship with a number of Bradford schools, especially through their work experience programme. Relationships with Bradford College are equally strong; the chief executive of BTAL chairs the college's engineering advisory committee.

Through the former Bradford and District TEC, there was a network of the training organisations which contracted with the TEC for work-based learning. Since the LSC was established, this group (BATO) has joined with other local organisations in the LSC area (West Yorkshire) to form the West Yorkshire Learning Providers Network, which has three representatives from each of the local groups plus a senior manager from the local LSC. In this way, training and work-based route providers are working closely with the local LSC.

Work-based learning was strongly represented at the area strategy meeting established to address area-wide inspection reports. Similarly, WBL providers are now represented within a number of groups which formerly had only education representation, including a strong presence on the 14–19 Strategy Group. Work-based learning now enjoys a much higher profile, and in the words of John Robertshaw, Chief Executive of BTAL, 'we're not yet where we want to be, but we're getting there'.

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Support offered by an education–business link organisation

The Bridge Project, North Yorkshire

North Yorkshire Business Education Partnership (NYBEP) is building on the cluster arrangements in each area of the county to support around 300 young people at risk, whether through rural isolation, lack of role models, or some other cause. NYBEP contracts with a lead organisation, which could be a college or a training provider, in each cluster. The LEA community education department and Guidance Services (the careers company) are also fully involved.

In the Craven area, for example, in Year 10, the young person follows a pattern of one day per week with the community education department in the first term, Craven College in the second term and a training provider in the third term, the latter being an extended work experience opportunity. NYBEP works with the young person's school towards achieving some coherence across the whole curriculum experience. In Craven, the Bridge Enhancement Programme involves multi-agency inputs and a business mentor. In Year 11, the young person moves forward into a negotiated pattern of provision.

Current arrangements

4.19 The observed diversity in organisational structures exists through historical legacies and change. Changes have come about through re-organisations, merger, collaborative ventures or new structures. These may, in part, be driven by a reaction to shortcomings (eg quality, financial issues), expediency (eg low numbers in school sixth forms) or local/national policy initiatives (eg Specialist School status/Centres of Vocational Excellence (CoVE)).

4.20 The current range of providers and combinations includes:

School sixth forms – including those in 11–18, 13–18, 14–18, denominational, single-sex , selective entry and grammar schools, as well as in Specialist Schools and Academies.

City technical colleges.

Sixth-form colleges.

FE colleges – varying in size and offer. These may include colleges of technology, colleges of art and technology, tertiary colleges. Some colleges have regional specialisms; for example, catering, automobile engineering, building and construction. Some colleges have national specialisms; for example, marine engineering, refrigeration engineering, equine studies. In order to get a clearer picture of the types of college within this large group, LSDA has been developing an analytical tool that can be used to identify clusters of common characteristics between different groupings of colleges (KPMG and Critical Thinking 2002).

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Colleges with distinctive focus – these include agricultural colleges, horticultural colleges, art and design colleges, full-time adult colleges, residential colleges for students with learning difficulties and disabilities.

Community colleges – these maintain a sixth form plus adult education provision. They may have a pupil starting age of 11 or 14.

Adult education – includes stand-alone LSC funded institutions, LEA-controlled institutions, and provision delivered by FE colleges under LEA contract.

Work-based learning (WBL) providers – varying in size, specialisms and national coverage. Providers can be independent private providers, FE colleges, local authority providers, voluntary and community groups.

Online learning provision – college-based, consortia, learndirect, UK ONLINE.

School federations.

Large, single FE/HE broad-based provider

The Sheffield College

Single largest provider of post-16 education and training in Sheffield. It provides full academic and vocational programmes within dedicated sixth-form and vocational centres. It offers work-based learning programmes and dedicated training for employers. It also provides adult and community learning, and its own and consortium online learning, plus support for learndirect.

The college also provides a range of HNC and HND programmes.

(In late 2002, The Sheffield College was forming a federated structure of three semi-autonomous units.)

Innovative provision: FEcollege operating a federal structure, separating 16–19, adult and enterprise education

Runshaw College

Runshaw College is a Beacon College that moved from sixth form to tertiary status. It is divided into three entities: the Sixth Form Centre, the Adult College and the Runshaw Business Centre. Each 'division' has its own business plan, managers, marketing teams and sites. The centre coordinates policy and strategy and manages 11 key organisational processes through a Process Improvement Team.

This form of organisation would be an example of the divisionalised form.

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Innovative provision: a sixth-form institution under schools regulations (16–19 age group)

William Morris Academy, Hammersmith

Under the *Learning and Skills Act*, this sixth-form college was finally established under schools regulations in January 2002.

The formation of the college was a result of LEA dissatisfaction with poor performing school sixth forms with limited options and poor outcomes.The William Morris Academy was initially the designated sixth form for five schools in the borough. These schools have now been re-designated as 11–16 schools with the change in status of the William Morris Academy.

The academy offers a wide range of AS/A2 provision plus a range of vocational GNVQ options and a significant amount of support for students with learning difficulties and disabilities. The comprehensive offer provides for a range of intake and allows for progression.

The principal is a member of the Secondary Heads' Forum and each of the senior managers has a direct link with the former 'feeder' schools.

4.21 While this provides a starting point to classifying the structure of individual organisations within the post-16 sector, it does not describe the variety that exists through alliances, joint working or affiliations.

4.22 Historically, there are numerous organisations working at the interface between business and education providers. Examples include Business in the Community, Science and Technology Regional Organisations (SATRO) and the former network of education–business links. Funding for the latter now passes through the LSC, and a new network of education–business link organisations (EBLOs) is being established. A number of EBLOs are in a state of flux, but others are extensively involved in working on the development of innovations such as Student Apprenticeships, Modern Apprenticeships and mentoring.

4.23 National, regional and local quality standards serve in a support capacity, and inspection reports have tended towards the view that quality assurance (QA) arrangements are better established in colleges than in sixth forms and in work-based routes.

4.24 There is a need in each area to determine gaps in provision linked to current and future local labour needs. Not only would this enable providers to identify gaps and the geographic spread of provision; it would also assist thinking around Specialist School and CoVE determinations in the current climate.

4.25 Learners require impartial information on the full range of opportunities at 16 and beyond. The principal source of this is the Careers Service. Most careers companies produce written information for students and parents. Reports suggest that this is generally valued and is often perceived to be of high quality, even if it is not always used to full effect:

> *...good access to information and advice on post-16 opportunities...* (Bradford)

> *...the Leeds Careers Guidance Service (LCGS) provides good and impartial advice and guidance...* (Leeds)

> *The majority of Key Stage 4 (KS4) students in Liverpool schools benefit from a well-organised in-school Careers Education and Guidance (CEG) programme, and receive comprehensive information and advice from the careers company in relation to post-16 educational provision.* (Liverpool)

> *The careers service offers unbiased advice to students... Overall, the quality of guidance and information available to young people making decisions about post-16 education is good.* (Newcastle)

> *Pupils at schools are well informed about the range of opportunities available to them post-16.* (Rochdale)

4.26 There are two main reservations about the current position of careers companies. The first is that as they continue their recent re-focus and become part of the Connexions service (addressing those who are hard to reach), there is some concern that they will not be able to serve the needs of mainstream learners. The second is that while careers companies are well informed about educational opportunities, some appear to be less well informed about private training provision and work-based routes.

4.27 While the level and quality of support available to learners once they are on their course of learning is generally good in schools and colleges, there is concern about those on training courses and work-based routes:

> *Support and guidance for students on post-16 programmes are good. Guidance for students progressing on to higher education (HE) is of high quality.* (Coventry)

> *Systems for monitoring students' progress are generally satisfactory in schools and in the college. Increasingly, use is being made of value-added data to set minimum target grades with students.* (Doncaster)

> *Pastoral support in the sixth forms and the college is good. In schools, students are generally set clear targets for their progress, both in*

terms of grades to achieve and ways of achieving them. All training providers and college staff offer a satisfactory or better level of support to their trainees and students. (Gateshead)

...additional learning support in the educational institutions is well managed... (Hartlepool)

Levels of contact between all post-16 providers and the careers company are good. Students and trainees have good access to careers advisers. (Salford)

4.28 Support for those with learning difficulties and those at risk is often singled out as being good, especially in schools and colleges:

Nearly a hundred vulnerable young people aged 16–18 have benefited from the Learning Gateway. (Walsall)

...young people are well supported as they move between the Learning Gateway and life skills provision... (Leeds)

The international dimension

4.29 Considerable efforts are being made by many countries to expand and modernise the systems for post-compulsory education. It is evident that different countries respond to comparable structural developments in technology and industry quite differently, and the educational concepts of one country cannot be easily transferred to another country unchanged. The following offers a description of some models.

Germany

4.30 Technical and vocational education in Germany is strong both for apprentices and for the existing workforce. It is carried out in close connection with industry. Two-thirds of all apprentices are trained in *enterprise vocational schools* and *enterprise schools* based in companies. For those in smaller companies, often craft- and service-based, the *municipal vocational schools (Kommunale Berufsschule)* run by local authorities (county councils) provide the apprentices with a theoretical education. A training contract exists between the young person and the company, and the trainee is a full member of the company with full rights and obligations. There is a guaranteed job on completion of training.

4.31 The teachers and heads of vocational education and adult vocational education are also members of the company, and hence are fully acquainted with the occupational requirements; they themselves have extensive opportunities for continuing education within the company.

4.32 Industry determines occupational standards, the qualification structure and the curriculum, and as a rule, bears the costs of practical vocational

training. This is about 70% of the total expenditure on technical and vocational education.

Community colleges – USA and elsewhere

4.33 Community colleges are two-year post-secondary institutions that offer certificate programmes, associate degrees and many other programmes. In the USA, community colleges developed to meet the needs of students who were past the age of compulsory schooling and those who were not served by the traditional four-year institutions. Besides the US, Asia and Western Europe are regions of the world where non-traditional alternatives to post-compulsory education are fairly well developed. A variety of names identify these institutions, but common to the majority of them are occupationally-related studies.

4.34 Sweden's upper secondary schools integrate general subjects with vocational training in a workplace-based setting. The regional technical college system in Ireland, the special training schools in Japan, and China's junior colleges similarly emphasise vocational courses.

4.35 Short-cycle post-secondary programmes in Austria, Denmark, Indonesia and Sweden are considered part of the secondary school system. In South America and New Zealand, community colleges are more likely to function as branches of polytechnic colleges. Norway's short-cycle programmes are conducted through district colleges, Israel's through regional colleges, and Germany's through *Fachhochschulen*, which are nationally coordinated. Canada is unique in that community colleges are governed by a system separate from the rest of the higher education system.

Japanese junior colleges

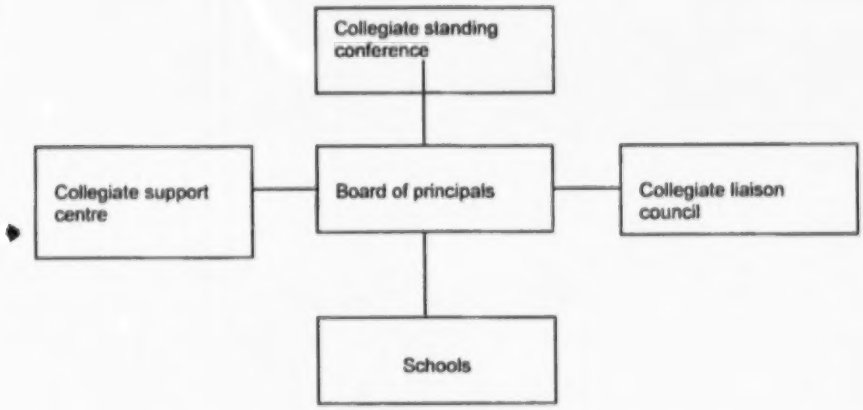
4.36 Japan's community (junior) colleges provide a general post-secondary education of short duration. The 'open door' admissions policy of community colleges in the USA is not found in the Japanese junior colleges – 50% of applicants are rejected. The student population is fairly homogeneous, consisting of recent secondary school graduates, unlike the large body of adult and continuing education students attending community colleges in the USA. They are primarily financed through tuition fees, with the government providing barely 20% of their costs.

The collegial system, Northern Ireland

4.37 The collegial system is new in concept, in responding to the unique circumstances of schools in Northern Ireland. The overriding objective is an inclusive education which allows constituent schools to retain their ethos, tradition and identity, and which will have the capacity to deliver high-quality education for all.

4.38 The collegial system consists of separate groups of schools called collegiates. Each collegiate has a variety of schools representing the different management types, but a common admissions policy, learning support, professional development, ICT, curriculum provision, and extra-curricular activities. The constituent schools can collaborate and develop partnerships, exchange best practice, and share resources, facilities and support opportunities for the professional development of teachers within their own or other schools in the collegiate. **Figure 8** illustrates the collegiate structure.

Figure 8 The Northern Ireland collegiate structure



4.39 Under the collegiate structure, key planning and decision-making rests with the board of principals which comprises the principal of each constituent school (each of whom would continue to be accountable to their own school's board of governors), and which would operate primarily as a planning body in developing collegiate policy and provision across the strategic objectives and functional areas.

Dimensions for classification

4.40 The Unesco International Symposium on Innovative Methods of Technical and Vocational Education identified three basic types: market model, planned (or bureaucratic) model and cooperative model.

4.41 Model 1: the market model

The government plays a minor role in vocational qualification processes. Here, technical and vocational education is left largely to the individual and the recruitment needs of enterprises. Since as a rule, the state does not lay down any framework provisions, control and financing of training also remain a matter for the enterprises. The position of major enterprises is dominant in this system. The Japanese system of

technical and vocational education is a clear example of one where the minor role taken by the state is clear.

4.42 Model 2: the planned (bureaucratic) model

The government is responsible for technical and vocational education. This type of system is based on the responsibility of the government for the detailed planning, organisation and control of technical and vocational education, and often also for its operation. School-type models are characteristic of this. Among the characteristics of state-organised technical and vocational education are the high degree of bureaucratisation, the close connection between general and technical and vocational education, and the comparability of educational standards and qualifications. The role of enterprises in such systems can become marginal and be restricted, for example, to making places available for practical experience. The Swedish system is an archetypal example of school-type technical and vocational education.

4.43 Model 3: the government-controlled market model

The government provides a framework for technical and vocational education in private enterprises or institutions. Here, the state merely sets framework conditions for the providers of training – as a rule, in the form of vocational education Acts. This type can be classified as a state-controlled market model. Characteristically, forms of cooperation emerge between public vocational schools and private training enterprises or inter-company training centres. Typical features are the market-controlled recruitment of students and the orientation of training objectives and content to practical applicability. The dual system in Germany is an example of a cooperative model.

Models from the literature

4.44 This section considers models that classify structures and alliances and frameworks for reviewing them. Through consideration of these models, it is possible to identify typologies of post-16 learning organisation structures to provide a map of existing and potential structural forms.

4.45 Much has been written on the link between organisational structure and strategy. The classic work was developed by Mintzberg (1978) and has been adapted and reviewed subsequently. Mintzberg suggests six basic parts to organisational structure and six basic coordinating mechanisms. He then relates these to five organisational structure types related to strategic intent. The six components of the structure are as follows:

- the *strategic apex* would describe the strategic responsibility of a single large organisation or that of an alliance of providers
- the *middle line* is the staff managing the organisation

- the *operating core* would encompass those staff delivering learning

- the *technostructure* would include the MIS and data-handling capacity

- *support staff* would include those working on labour market intelligence (LMI), marketing, pre-entry information, advice and guidance (IAG) functions and those for progression to higher education/employment

- all the above are contained within an overall *ideology*. When considering organisational alliances, it would be assumed that to be effective, all contributing providers will share the same ideology. This could include being learner-focused, committed to expanding opportunities, and to continuous improvement in terms of retention, achievement and progression etc.

4.46 The six basic coordinating mechanisms are:

- *mutual adjustment* – coordination across boundaries through informal communication

- *direct supervision* – identifies the degree to which the organisation of learning is actively managed

- *standardisation of work processes* – the means by which the delivery of teaching and learning is specified and communicated

- *standardisation of outputs* – specification of results. The quality outcomes of education/training provision are matched to agreed targets

- *standardisation of skills* – the extent to which teachers and trainers have appropriate qualifications, experience and continuing professional development

- *standardisation of norms* – the commitment to mission and purpose. This is notably more difficult to attain with very large or dispersed organisations

4.47 Mintzberg's five structural types are identified as:

- *simple structure* – small senior management team and larger workforce with no middle management, little technostructure support or support workers. An example could be a small, independent training organisation

- *machine bureaucracy* – high levels of specialism in the workforce and standardisation of work processes. An example could be a large FE college

- *professional bureaucracy* – high levels of standardisation of skills. An example could be a research-focused university

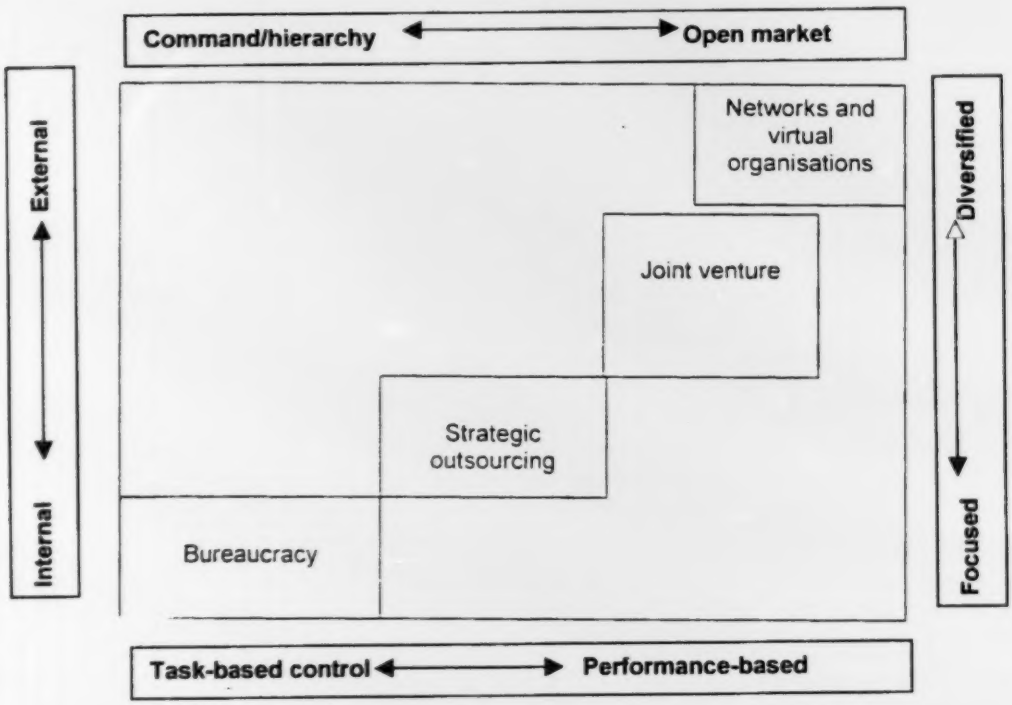
- *divisionalised form* – independent entities coupled together by an overarching administrative structure. An example could be a large FE college divided into geographical/market segments

- *adhocracy* – responsive to a highly complex or project-based environment. An example could be collaborations based on time-limited funding opportunities; for example, TVEI, Single Regeneration Budget (SRB)

4.48 Mintzberg (1978) also describes the *tendency towards decentralisation* – the sharing of decision-making power as organisations grow. He refers to *vertical decentralisation* – the deliberate delegation of power down a hierarchy; and *horizontal decentralisation* – the extent to which formal *or informal* power is dispersed away from managers. These structural forms can be applied to individual education/training providers or to classify the relationship between several organisations in a coordinated system. This classification needs, however, to be overlaid with more recent thinking about shifts in organisational forms in relation to changing economic and market relationships.

4.49 Further classifications have been developed to identify changes in the relationships within and between organisations. Storey (1998) uses these categorisations to consider the HR implications of shifting structural arrangements, as shown in **Figure 9** (source: Storey 1998).

Figure 9 New organisational structures and forms



4.50 This model suggests that the shift towards greater involvement with outsourcing, joint ventures and networks is related to the move towards more diversification, performance-based control and more open markets. It is possible to see such shifts in the post-16 learning sector, with the increasing demands of a performance-based responsibility. This, coupled with students' perception of greater variety in terms of curriculum and location options, is leading to a more market-focused environment. This, in turn, is leading organisations to be become more externally focused.

4.51 One feature has been a push to diversify to meet perceived needs. Hence there is more evidence of changing structures in relation to joint ventures/alliances (including merger) and networking. The post-16 learning landscape has many examples of merger, alliance/ collaboration and networking. This push towards networking fits with a model of the evolution of organisational forms suggested by Miles *et al.* (1997). This proposes that as economies move from a *machine age* to an *information age* and on to a *'new knowledge' age*, then organisational structures adapt, as shown in **Table B**. Each era overlaps and has associated organisational forms. The 'new knowledge' era has a suggested new organisational form – cell working.

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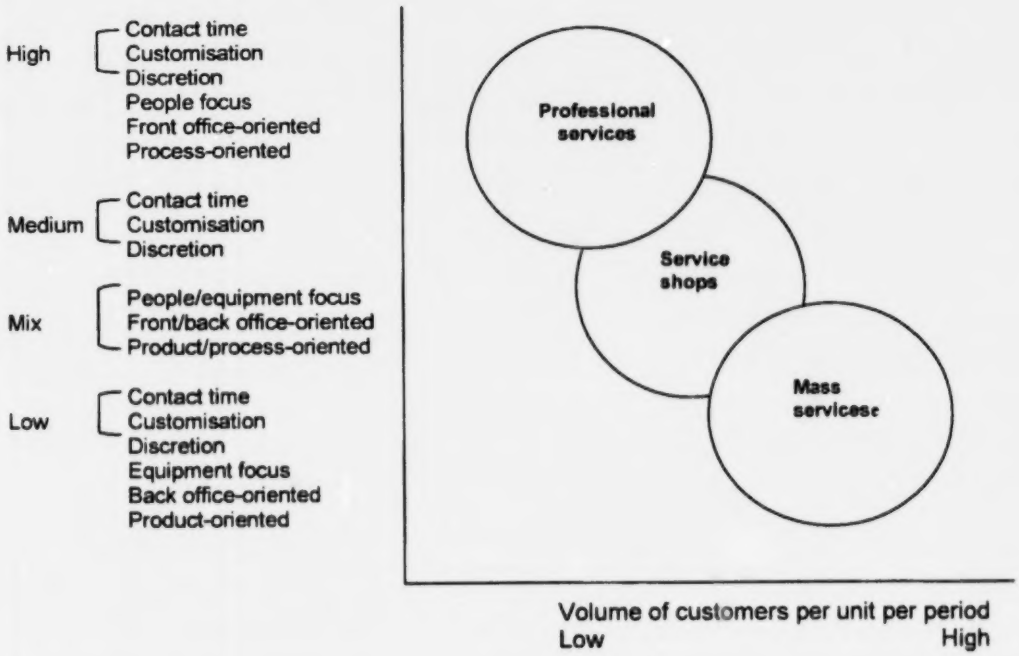
Table B The evolution of organisational forms

Historical era	Nature of era	Key capabilities	Organisational forms
Machine age	Standardisation	Specialisation of the workforce and products Segmentation of the market	Machine bureaucracy ↓ Divisional form ↓ Matrix form ↓ Network form
Information age	Customisation	Flexibility and responsiveness	Divisional form ↓ Matrix form ↓ Network form
New knowledge age	Innovation	Continuous, efficient innovation	Network form ↓ Cellular form

4.52 The implication is that the current era – the information age – has to deal with the demands of deregulated markets and that the response is to form networks and alliances to provide high-quality and flexible solutions. Organisations would downsize, outsource non-core operations and find partners whose capabilities complemented their own. There is plenty of evidence for this in the FE sector, in particular, which has undertaken some downsizing, coupled with moves toward strategic partnerships with schools, LEAs and WBL providers.

4.53 A further means of classifying organisational structure is suggested by Silvestro (1999), as shown in **Figure 10**. This is of relevance to the education/training sector because it is a service process model and identifies relationships between volume of activity and variety. The model suggests three service types – professional services, service shops and mass services – and indicates the key operational differences between these types.

Figure 10 The service process model



4.54 This model of service provision has applicability to education and training providers. It relates volume of activity to service organisational forms, and indicates the degree of involvement between providers and customers for each form.

4.55 *Professional services* – for example, bespoke training for an individual employer. The features of this type are:

- the customer participates in the process of defining the service specification
- the customer gives detailed requirements
- negotiation between provider and client
- the volume of activity will be small
- the relationship will be people-based – a significant percentage of company staff will relate to the customer – the 'front office' interface.

4.56 *Service shop* – the majority of education and training provision.

In this model, the degree to which education and training providers enable close contact and discretion between provider and customers is likely to be a function of size. This would suggest greater contact and discretion with small providers and less with very large providers.

Similarly, it would be expected that there would be more focus on equipment/product with the larger providers.

4.57 *Mass services* – for example, national online education and training provision. In this type:

- the service provided is pre-determined, rather than individually negotiated
- the customer participates in a relationship which is highly standardised
- there is a heavy reliance on equipment (eg IT and standardised teaching packs)
- there is little contact with individual staff
- the customer is more likely to relate to the organisation than to any individual
- there is strong reliance on a 'back office' emphasis on standard operating procedures and quality control.

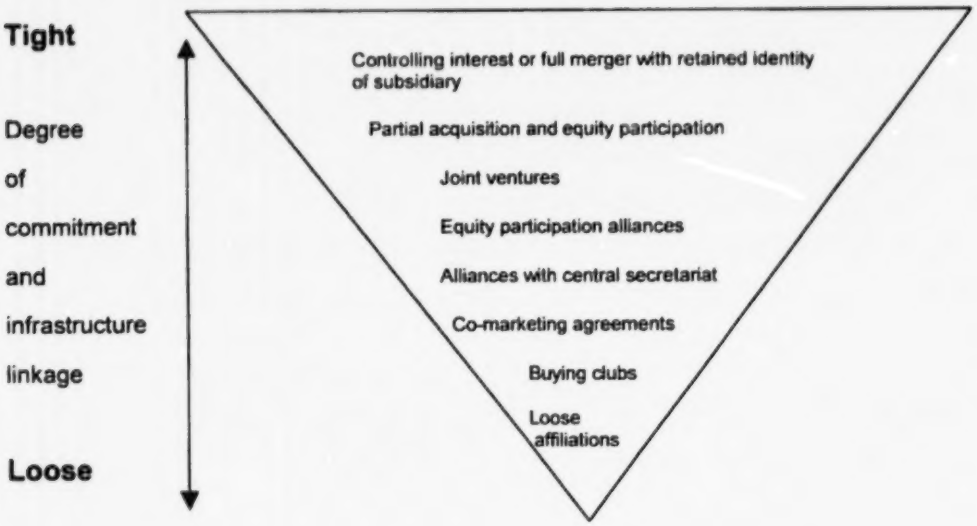
This model indicates that as volumes of activity increase, it is less likely that an organisation can maintain a learner-centred focus, the amount of discretion in terms of contact decreases and there is more emphasis on standardisation of product. A further implication may be that in considering a range of providers, there may be one which is dominant in terms of size, volume of activity and range of offer. Such a provider may be considered to be a mass-service provider for that locality. The possibility then exists that such a provider could skew perceptions of approach and support for learners when collaborative arrangements are being considered.

4.58 The literature cited above and current arrangements suggest that the formation of alliances and joint ventures will (and does) form an important part of the post-16 education and training landscape. It is worth considering a means of classifying alliance types to assist the development of a typology of the sector. There are two principal approaches: classifying alliances themselves; and classifying organisational design.

Classifying alliance types.

4.59 A hierarchy of alliance types has been developed by Robinson and Clarke-Hill (1994). An adapted version is included as **Figure 11**.

Figure 11 Hierarchy of alliance types



4.60 Within the post-16 education sector, there is plenty of evidence for mergers at the tight end of the above spectrum. A recent report on *Mergers, size and specialisation in the FE sector* (Fletcher 2001) has shown that the curriculum benefits of merger are significantly greater than the financial benefits. Most mergers have occurred between FE institutions, particularly between sixth-form and general FE institutions, although there have been a limited number of FE/HE mergers. Similarly, there are as many examples of school/school and college/school alliances with central secretariats as there are co-marketing agreements and loose affiliations. The evidence from current arrangements is that there is variety in alliance type, and this is a key dimension when looking at typologies. The partners in alliances may bring different attributes to the alliance; for example, marketing expertise, specialist resources etc.

Classification of alliance purposes and outcomes.

4.61 A number of studies have examined business alliances and considered their classification in terms of underlying purpose and mechanisms. Drawing on the reviews in two papers by Elmuti and Kathawala (2001) and Jarratt (1998), it is possible to identify strategic intent and proposed outcomes, as shown in **Table C**.

Table C Strategic intent and expected outcomes

Strategic intent		Expected outcomes
Elmuti and Kathawala	Jarratt	
Growth strategies and entering new markets Obtain new technology and/or best quality or cheapest cost	Adding value	Delivering a broader range of goods and/or services Increasing the quality of goods and/or services Accessing innovation and incorporating it into product offer Facilitating new product developments
	Building current business capacity	Building distribution capacity Building manufacturing capacity Building purchasing capacity Building business knowledge, expertise and skills Accessing new client groups Accessing resources required for specific client groups
Reduce financial risk and share costs of research and development Achieve or ensure competitive advantage	Defending market position	Joint promotional activity Accessing resources to develop new ventures Accessing resources to compete against major claims on resources Offset impact of product substitutes Defend against environmental forces

Elmuti and Kathawala (2001) cite a Coopers and Lybrand study (1998) which showed that the largest type of alliance was related to joint marketing and promotion. The elements of quality improvement, accessing new client groups and joint promotion are those most closely related to perceived organisational support mechanisms. It would be expected that when reviewing the strategic learning needs of an area, those intentions and outcomes relating to defending market position and ensuring competitive advantage would have limited consideration.

4.62 When considering organisational structures, it is also worth identifying the means by which the structures can be seen as effective. Hankinson's study (1999) of the structure of companies handling the world's top 100 brands compared with 'outsider' brands noted that:

> *...whilst the type of organisational structure may not be seen as a determinant of brand success, perceptions of whether the organisational structure was right for them, were. In other words, managers of brands need to feel the organisational structure allows them to manage in the way necessary to deliver brand success.*

4.63 Goold and Campbell (2002) identify nine tests of organisational design – four tests of fitness for purpose and five tests of good organisational design, as shown in **Table D**.

Table D Nine tests of organisational design

The fitness-for-purpose tests	
Product-market strategies	Does the design allocate sufficient management attention to the operating priorities and intended sources of advantage in each product-market area?
Corporate strategy	Does the design allocate sufficient attention to the intended sources of added value and to the strategic initiatives of the corporate parent?
People	Does the design adequately reflect the motivations, strengths and weaknesses of the available people?
Constraints	Does the design take into account the constraints that may make the proposal unworkable?
The good design tests	
Specialist cultures test	Do any 'specialist cultures' have sufficient protection from the dominant culture?
Difficult links test	Does the organisation design call for any 'difficult links' – in the interest of coordinating benefits that will be hard to achieve on a networking basis, and does it include 'solutions' that will ease the difficulty?
Redundant hierarchy test	Are all levels in the hierarchy and all responsibilities retained by higher levels based on a knowledge and competence advantage?
The accountability test	Does the design facilitate the creation of a control process for each unit that is appropriate to the unit's responsibilities, economical to implement, and motivating for the managers of the unit?
Flexibility test	Will the design help the development of new strategies and be flexible enough to adapt to future changes?

When considering any change to current arrangements in an area, then the use of these nine tests could assist a cost-benefit analysis of any proposed change. Under the fitness-for-purpose tests, the product-market strategies and corporate strategy relate directly to the strategic needs of the area. The people and constraints tests take into account

the cost elements of change. Similarly, the design tests also provide pointers to cost-benefit analysis of any change.

4.64 Furthermore, the nature of the organisation can be determined through the parameters identified in the service process model outlines above (see **Figure 10**). These features would be:

- contact time
- customisation
- discretion
- people/equipment focus
- front/back office-oriented
- product/process-oriented.

Publications on mergers and collaboration from the former Further Education Funding Council (FEFC)

4.65 The Further Education Funding Council (FEFC) became operational in July 1992, and was wound up on 31 March 2001 when its functions were transferred to the LSC, the Adult Learning Inspectorate (ALI) and OFSTED. During its lifetime, the FEFC commissioned numerous reports on matters of relevance to the FE sector. In particular, there were four reports on mergers and collaboration which are of relevance to the current report.

4.66 *Effective collaboration in post-16 education* (LGA/FEFC 1998) reports on research carried out jointly with the Local Government Association (LGA), and examines a number of case studies. The report highlights the benefits of, and obstacles to, collaboration and spells out the critical success factors for successful collaboration. The case studies illustrate how collaboration can lead to:

- better guidance at transition
- local and regional information sharing
- enhanced accountability
- coordinated provision within a network of autonomous providers.

4.67 *The financial benefits of mergers of further education colleges* (FEFC 1998) concludes that there is strong evidence that institutional merger has delivered financial benefits, especially in relation to site rationalisation. In particular, however, it emphasises the improvements in the range and quality of the curriculum, and concludes that the curriculum benefits outweigh the financial benefits of merger. The report makes it clear that the benefits of merger are contingent upon the specific circumstances of the individual merger partners, and that it is impossible to make generalisations about the benefits of merger.

4.68 In July 1999, the FEFC Inspectorate and OFSTED published a joint report entitled *Post-16 collaboration: school sixth forms and the further education sector* (OFSTED/FEFC 1999). This arose from a study of

partnership arrangements commissioned by the minister of state for education and employment in February 1998, and consisted of a survey of the nature, range and effectiveness of partnership arrangements and the quality of education they provide. Twenty-seven partnership arrangements were visited, involving 68 institutions. The report sets out the advantages and disadvantages of collaboration, and the factors encouraging and discouraging collaboration. Its conclusions were that:

- collaborative arrangements serve to broaden the curriculum on offer, and generally do this in an economical way
- consortia in which *all* post-16 provision is jointly provided served the students well, and the strengths considerably outweighed any weaknesses
- consortia in which only *part* of the curriculum is jointly offered varied in their effectiveness, though generally they showed clear benefits
- the benefits of bilateral partnerships involving a limited range of courses tend to be marginal.

4.69 A report on *Mergers in the further education sector* (FEFC 2000) summarised all merger activity between 1993 and 1999, with a provisional evaluation of the nine mergers implemented between May 1997 and August 1998. It highlighted the increase in merger activity since 1997, in line with clear policy steers from the then new Labour government and the request from the secretary of state to the FEFC to be proactive in encouraging mergers. This imperative continues with the LSC, and the establishment of local Learning Partnerships and the development of local learning plans enable the benefits of merger and collaboration to be more clearly articulated. The potential barriers to future mergers are set out in detail in the report, as are the benefits and critical success factors. The latter include:

- effective governance
- effective management
- a clear corporate identity
- an effective communications strategy.

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